IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re patent application of
Robert J. Schloss
Serial No. 09/725,769 Group Art Unit 3677
Filed November 30, 2000 Examiner D. Melwani
For A SYSTEM AND METHOD FOR ASSISTING A BUYER IN SELECTING A SUPPLIER OF GOODS OR SERVICES

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

DECLARATION UNDER 37 C.F.R. §1.132
OF
ROBERT J. SCHLOSS

Sir:

ROBERT J. SCHLOSS declares as follows:

1. I received the degree of Bachelor of Arts in Mathematics and Computer Science from Yale College in 1973.

2. I have been employed since 1981 by International Business Machines Corporation at the Thomas J. Watson Research Center at Hawthorne, New York. I manage the Scalable XML Infrastructure department, where our work ranges from XPath 2.0 formal semantics, XSLT 2.0, XQuery 1.0, XSL Formatting Objects Composition, XML Schema tools, Business Rules in XML, Modeling, optimization of stylesheet evaluation and Web server page programs, through prototyping various experimental tools.

3. I was a developer of the Platform for Internet Content Selection (PICS) technical specifications, which are a recommendation of the World Wide Web Consortium (W3C). I co-chaired the W3C's Resource Decription Framework (RDF) Data Model and Syntax working group. With colleagues, I presented a tutorial on Metadata and RDF at WWW7 in Brisbane, Australia in

April 1998, and at XTech'99 in San Jose, California in March 1999. I presented a talk on Getting Started with XML Schema Language at WWW10 in May, 2001.

4. I am currently working on creation, diagnostic, translation, analysis and repository tools for the W3C XML Schema language, and how this might tie in with tools that create stylesheets, mapping rules, or XForms, as well as contributing to exploratory work on XML and databases. XML schema defined messages underpin next generation multi-enterprise commercial protocols such as RosettaNet, UBL, ebXML, and OAGIS, to give several examples. My research includes advanced functionality in these protocols, which involve three party data sharing arrangements. Related ideas are pursued in the following patents where I am a co-inventor: "System and method for controlling access to data located on a content server," U.S. Patent No. 5,706,507; "System, method and computer program for reviewing and creating advisories for data located on a content server," U.S. Patent No. 5,878,233; and "Apparatus and method for dynamic meta-tagging of compound documents," U.S. Patent No. 6,094,657.

5. I have reviewed the subject patent application, including the claims, and the examiner's remarks as contained in the Office Action mailed on July 20, 2004 ("OA of 7/20/2004"). I have also reviewed the prior art references U.S. Publication No. US 2002/0055900 A1 to Kansal ("Kansal"), and its two supporting provisional applications 60/227,513 ("Kansal-P1") and 60/290,069 ("Kansal-P2").

6. In support of the claim rejections in the OA of 7/20/2004, the examiner cites to Kansal. I have evaluated each of the following assertions made by the examiner to determine whether they are supported by the earlier Kansal-P1 reference.

7. Assertion: Kansal discloses a method for insuring a buyer in the purchase of goods and services.

Evaluation: No. Kansal-P1 is about selection of vendors based on adjusted costs. It is a method of comparing multiple vendors. It is not a method of allowing a new vendor to be used in place of a trusted vendor that was previously used.

8. Assertion: Kansal assesses risk based on information about the seller.

Evaluation: No. Kansal-P1 estimates variance assuming that the range of values submitted by the set of vendors, with respect to both cost, and time to complete, provides some realistic coverage of accurate cost and accurate time. There is no assessment of the production methods of the individual seller.

9. Assertion: Kansal teaches transmitting a quote request from the buyer to an insurer over a network.

Evaluation: An RFP is sent out, but not to an insurer. All the risk calculations are performed by CoreTeck without any input from an insurer. What we include in the transmission, (our claim 3), includes not just what the supplier will need to supply, but how the buyer will be using it.

10. Assertion: Kansal teaches quote request content from buyer.

Evaluation: Yes. Kansal P-1 says that the buyer posts their Draft RFP to a secure area of the CoreTeck site. No - CoreTeck does not provide insurance.

11. Assertion: Kansal teaches transmission from buyer to seller over network.

Evaluation: No. Kansal P-1 says that it is Core-Teck which communicates with the potential suppliers, not the buyer.

12. Assertion: Kansal teaches that risk assessment is expressed as a rating which provides an indication of whether insuring the buyer is low risk or high risk to the insurer.

Evaluation: No. Kansal P-1 has nothing to do with Core-Teck assuming any of the risk. Core-Teck simply adjusts the data returned by each supplier. If Core-Teck had a competitor that used the same methodology for function point separation, it would return exactly the same information to the buyer. In our system, different insurers will return different indications, because what they are trying to do is to avoid over-concentration of their insurance liability.

13. Assertion: Kansal teaches that for an insurer offering an insurance policy, the insurer computes an amount of reimbursement of the buyer based on risk assessment.

Evaluation: Kansal-P1 "The risk-adjustment applied to the nominal bid submitted by a vendor" is a related idea. But there is nothing in Kansal P-1 about an insurer reimbursing the buyer if the chosen supplier does not deliver, delivers late, or delivers substandard quality, and to cover the secondary effects of that happening and affecting the customers of the buyer.

14. Assertion: Kansal maintain database of information on seller.

Evaluation: Not in Kansal P-1. There is a collection of data by CoreTeck for each seller, probably from this seller as part of the pre-certification process. There is not a long term, comprehensive database developed by an insurer (or by an evaluator like CoreTeck) keeping track of all previous and current RFPs with any buyer that the vendor has bid on, has won, is executing on, etc., and therefore might affect the ability of the vendor to perform, either positively or negatively.

15. Assertion: Kansal computes an indicator for a vendor.

Evaluation: The indicators in Kansal P-1 are not like the SLACK indicator in our system. Our system anticipates whether the buyer's needs could be met by sourcing some of what is needed from one vendor and some from another; as well as whether a single vendor having a production glitch would certainly impact this delivery or could be managed because there is production slack.

16. Assertion: Kansal locates dependency of buyer on seller.

Evaluation: No. Our application looks at dependencies of multiple sellers on common parties that sell to them, so that we do not think we are protected just because we source from multiple vendors, but the buyer might remain vulnerable if, for example, all those vendors obtain a required component from a single 2nd tier vendor. This is not in Kansal P-1.

17. Assertion: Kansal teaches deciding not to extend an offer [of insurance] to a buyer when the insurer in unable to obtain desired information.

Evaluation: There is nothing in Kansal P-1 about not making a risk assessment for a vendor, and then disqualifying the vendor on that account, because of lack of information about them that is specific to this project. There is a pre-certification to be part of the exchange.

18. Assertion: Kansal reimburses economic damage.

Evaluation: Not in Kansal P-1.

19. Assertion: Kansal teaches price adjustment.

Evaluation: Yes.

20. Assertion: Kansal teaches risk insurance premium or something that is obviously equivalent.

Evaluation: No, Kansal-P1 does not teach what is taught by our system. Our system understands that delivery of a component that fails, but where that

can't be seen at the time it is included in the buyer's product, can damage the reputation of the buyer with their customers, so the necessary adjustment is not just a "fudge factor" about what it will really take, but a true estimation of a premium to make the buyer whole in the case that the seller does not fully deliver and, as a result, there is ongoing damage to the buyer's business or a need to provide compensation of some sort to the customers of the buyer.

21. Assertion: Kansal teaches selecting an alternative seller.

Evaluation: Kansal-P1 does say that Core-Teck will return the two strongest vendor bidders.

22. **I further declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the above referenced application and any patent issuing thereon.**

Date: 10/20/2004

ROBERT J. SCHLOSS